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Guyana

Submitted by

Richard Helms

DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

As indicated overleaf
7 December 1967

Authenticated:

James L. Payne
EXECUTIVE SECRETARY, USIB

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The Central Intelligence Agency and the intelligence organizations of the Departments of State and Defense, and the NSA.

Concurring:

Dr. R. J. Smith, for the Deputy Director, Central Intelligence

Mr. Thomas L. Hughes, the Director of Intelligence and Research, Department of State

Vice Adm. Vernon L. Lowrance, for the Director, Defense Intelligence Agency

Lt. Gen. Marshall S. Carter, the Director, National Security Agency

Abstaining:

Dr. Charles H. Reichardt, for the Assistant General Manager, Atomic Energy Commission and Mr. William O. Cregar, for the Assistant Director, Federal Bureau of Investigation, the subject being outside of their jurisdiction.

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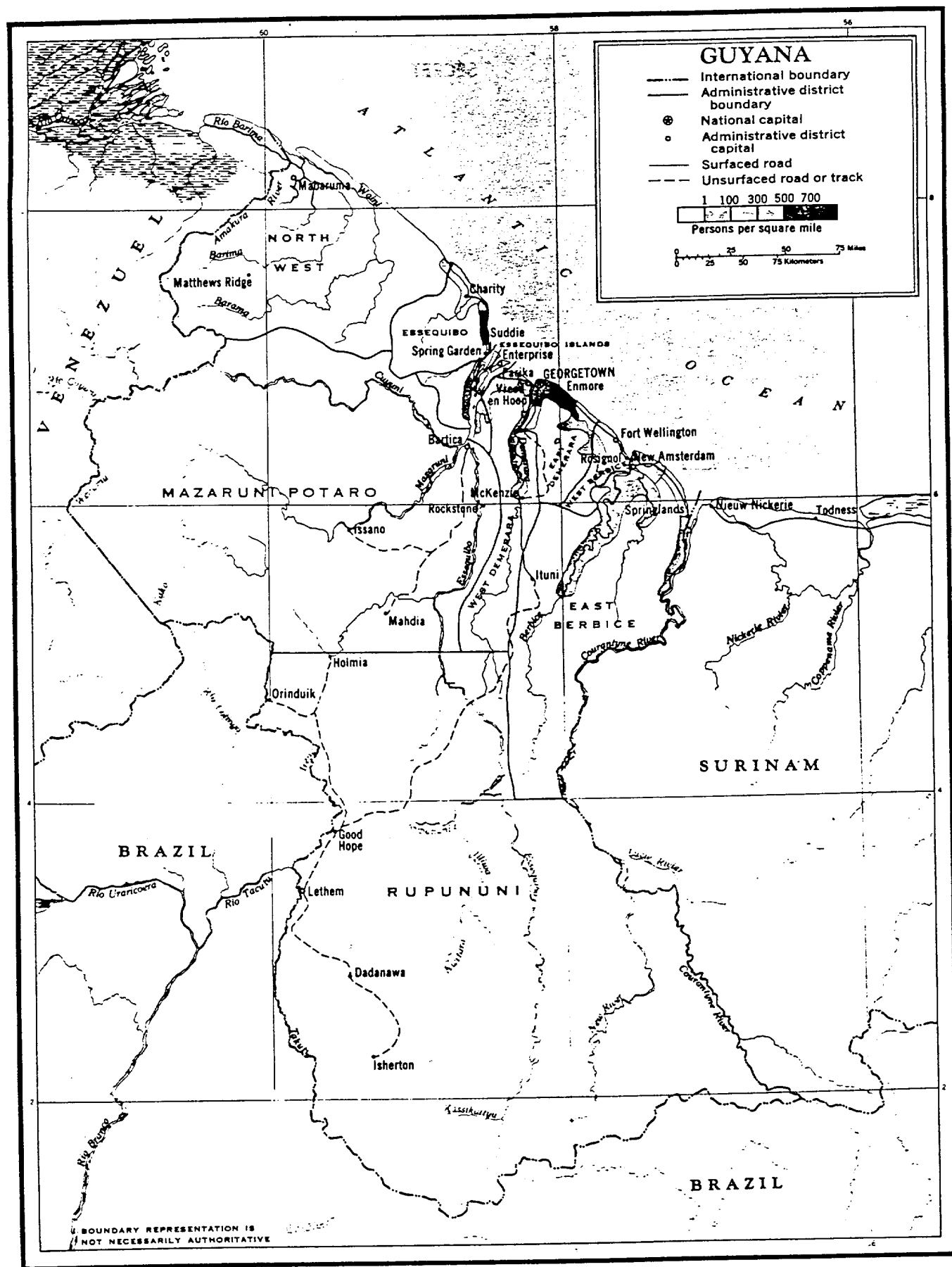
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GUYANA

THE PROBLEM

To consider the prospects for Guyana, with particular attention to problems and consequences of the coming parliamentary election.

CONCLUSIONS

A. Voting in the coming election, which according to the Constitution must take place by the end of March 1969, will again be predominantly along racial lines. Cheddi Jagan, the East Indian leader and an enthusiastic Marxist-Leninist, has a basic advantage: The East Indians are now probably a slight majority of the population. The Negroes, almost all of whom support Forbes Burnham, the present Prime Minister, constitute about 44 percent.

B. Burnham, whose coalition with the small, conservative United Force (UF) has always been fragile, is working on various schemes to enlarge the Negro vote. He will try to obtain a substantial number of absentee votes from Negro Guyanese residing abroad. Beyond this, he is exploring means to merge Guyana with one or another Caribbean island (most likely St. Vincent) so as to increase the proportion of Negro voters.

C. If Burnham became convinced that such arrangements would not suffice to keep him in power and Jagan out, he would probably rig the election. In any case, he would have to rely on the small civilian police and Guyana Defense Force (GDF), both of which are predominantly Negro, to maintain order. They probably could do so, except in the unlikely event of a major East Indian uprising.

D. Prospects for a second Burnham Administration would depend in major part on how he won. A merger with St. Vincent, for instance, would almost certainly raise fears, among East Indians and UF supporters, of discrimination and possibly even of persecution under a gov-

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ernment completely controlled by Negroes. Such fears could produce unrest and some violence. If Burnham returned to power as head of a coalition in an election that appeared reasonably fair, prospects would be good for continuing stability and further gradual economic progress. The need for outside economic aid would nonetheless continue.

E. If Jagan's party won, he would probably not be permitted to exercise power. Burnham could use force to keep him out, or suspend the Constitution and rule by fiat, or even press for a grand coalition which he himself would seek to head. Alternatively he could permit Jagan to take office—only to subvert his government at a later date.

F. In the unlikely event that Jagan did take and hold power, the Communist orientation of his government, more than its actual capabilities, would make it a new disturbing factor in hemispheric affairs, especially in the Caribbean area. Communist countries would make considerable propaganda capital of the fact that such a government had come to power by free elections. The USSR and some other Communist governments would move quickly to establish diplomatic or trade missions in Georgetown. Both the Soviets and Castro would probably provide Jagan with small amounts of economic aid.

G. A Jagan administration would, however, be beset by powerful internal opposition and would not have the resources for an adventure-some program abroad. Thus, Jagan would not try to launch an independent Communist revolutionary effort on the continent or in the Caribbean, though he probably would cooperate in the overt and clandestine activities sponsored by the USSR or Cuba. Such actions would encourage Venezuela to press its territorial claims against Guyana and perhaps even to undertake military action.

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DISCUSSION

I. BACKGROUND

1. In the racially turbulent years of 1963 and 1964, few would have predicted that within three years British Guiana as Guyana would be capable of making a relatively smooth transition from colony to independent state. Even fewer would have been optimistic over the country's chances of surviving as a nation. Nonetheless, the coalition government of Linden Forbes Sampson Burnham which led the country into independence, and has ruled on its own since 26 May 1966, has provided a stable government and presided over a modest recovery of the economy from its decline during the period of violence. Now the country is moving toward a new election which will test whether this condition of relative tranquility and progress can continue.

2. Almost like an island in its geographical isolation from its neighbors, Guyana was for much of its history a rather sleepy outpost of the British Empire. A militant, multiracial independence movement which sprang up in the late 1940's under Cheddi Jagan and Forbes Burnham, as the Peoples' Progressive Party (PPP), increasingly preoccupied the British as did the later ascent of Jagan to the premiership. The path to independence, however, was impeded, on the one hand, by the reluctance of the US and UK to turn the country over to Jagan and his American wife, both avowed Marxist-Leninists, and, on the other hand, by Burnham's defection from the PPP to form what later became the People's National Congress (PNC).

3. That split in 1955 marked the end of the multiracial movement. The East Indians have since followed Jagan, and the Negroes have backed Burnham.¹ Their organizations are more racial pressure groups than parties. Racial ill-feeling and strife were intensified during Jagan's last term as Prime Minister (1961-1964), largely by his ill-considered attempts to push East Indian interests in the labor unions and by the Negroes' violent retaliations. With the country in turmoil, Jagan found himself forced to call for British troops to maintain order. A year later, he signed an agreement with Burnham and with Peter S. D'Aguiar, the leader of the small conservative United Force (UF), that they would accept whatever political solution the British Colonial Secretary might devise to pave the way for the granting of independence.

¹The East Indians are mainly Hindu or Moslem and, with the exception of a number of business and professional men in Georgetown and other towns, they live in the country, working on their small rice fields or on large British-owned sugar plantations. With the abolition of slavery, the Negro population left the sugar estates to move to the towns, where they work in factories and hold most of the positions in the civil service and police. Negroes and mixed strains are about 44 percent of the population, as against the East Indians who are slightly above 50 percent. The remainder consist of American Indians, whites, and Chinese. The statistics we use here, though the best available, are by no means fully reliable; they are projections from the data of the census conducted under British auspices in 1960.

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4. To Jagan's dismay, the Colonial Secretary implanted an electoral system of proportional representation on a countrywide basis to replace the former system of plurality elections in each constituency. The election in December 1964 followed the new system, and the PPP received 45.8 percent of the vote and 24 seats in the Assembly, the PNC 40.5 percent and 22 seats, and the UF 12.4 percent and seven seats. In coalition, the PNC and UF were able to establish a majority government, to agree to terms for independence, and to provide for the country's peaceful transformation.

II. THE BURNHAM GOVERNMENT

5. Since 1964 the country has been run by this uncomfortable alliance, bound together principally by a mutual fear of Jagan's regaining office. The UF, made up as it is of European businessmen, native Indians, and other ethnic minorities, greatly distrusts Burnham and feels that he is attempting to undermine it as a party. Burnham's relationship with the UF leader, D'Aguiar, has been far from harmonious. There are basic differences in viewpoint and personality, and to a lesser extent undercurrents of racial suspicion. Burnham envisages a broad, ambitious program of spending on public works, while D'Aguiar as Finance Minister was strongly inclined to the balanced budget. After a series of quarrels over fiscal policy and personnel, D'Aguiar finally resigned in September 1967. The coalition, however, remained intact as the two other UF members stayed in the Cabinet and a third was added.

6. Despite these frictions, Burnham's coalition government has presided over a general economic improvement. Increased foreign aid and investment have contributed to an average growth rate in real gross national product (GNP) of three to four percent a year since 1964. Investment by the Reynolds Metals Company and the Aluminum Company of Canada, Ltd., in the bauxite industry has increased considerably, as have the receipts from the export of bauxite and alumina. Government spending on public works has buoyed up overall demand, and business confidence has largely been restored. It is noteworthy that even after his resignation from the Cabinet, D'Aguiar sought to dispel the fears of his followers in the business community by announcing his intention to expand his business interests in Guyana.

7. All the same, living conditions have not noticeably improved for most members of the population—which is now in the neighborhood of 700,000. We estimate per capita GNP in Guyana at about \$280 annually, as compared to an average of some \$385 for Latin America. The country suffers from a high rate of unemployment (about 20 percent) and of rural underemployment, and the labor force is growing rapidly. Production of the three major export commodities, rice, bauxite, and sugar, does not provide enough jobs to alleviate the problem of unemployment. The sugar industry is plagued with high fixed costs and is undergoing wage problems with the unions. The rice industry, a traditionally East Indian bailiwick, is highly inefficient and has long required heavy subsidies. The Burnham government has been trying to make it more

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competitive by improving the quality of rice grown and by gradually cutting down on subsidies. The government-controlled Rice Marketing Board and the Rice Development Company, which had a combined loss of about \$2.4 million during the 1966 crop year, expect a small profit in 1967. The growth in bauxite mining helps with foreign exchange problems but provides little additional employment for the growing labor force.

8. The government's economic performance has not had any appreciable effect on basic political loyalties. The East Indians may vary in their enthusiasm for the PPP and for Cheddi Jagan. They may even credit the government with restoring political stability and making some economic progress. Nevertheless, Jagan is without rival among East Indian leaders and, for most East Indians, voting for a candidate of another race rather than for Cheddi would be unthinkable. Even in those villages where the government's public projects have improved living conditions, East Indian political attitudes seem the same. "This is Burnham's road now, but ours after the elections," has been a typical response. On the other hand, the Negro part of the population shows no greater signs of pulling away from the PNC and Forbes Burnham. Jagan's appeals for the establishment of a multiracial worker's party have met with little reaction among the Negroes, and most of that adverse.

III. PREELECTION MANEUVERS

9. Race and personalities of the leaders thus continue to dominate the political scene. Within their racial composition, each of the two big parties encompasses various groupings. The PPP includes conservative shopkeepers and doctrinaire Marxists, Hindus and Moslems, students and back-country rice workers. The PNC is much more an urban party; it has some workers in village sugar mills among its members, but its main strength is among the civil servants and the laboring class in Georgetown. The UF, though very much smaller, is also an unusual admixture: its leaders are business people but many of its members are native Indians. Some strains are visible within each of the parties. Jagan's recent attempts to increase the discipline and the Marxist-Leninist orientation of the PPP have alienated a small number of party moderates. Burnham has met with discontent on the part of certain labor leaders who want money spent on projects which will benefit them and not East Indians in the back country. There has always been a modicum of friction among members of the UF, but it has not come to much since they have no other place to go.

10. Despite a professed common purpose, the UF's underlying suspicions of Burnham have grown rather than receded. Apart from inevitable divergencies over spending, the UF suspects, with some justification, that Burnham is attempting to absorb it or sizable portions of it, particularly the native Indians, into the PNC. Many members of the UF are uneasy about how committed Burnham really is to democratic processes and suspect that, if given the opportunity, he would rule as a dictator. Some are concerned that he may be aiming to establish strictly Negro rule in Guyana. Anxious as the UF is to keep Jagan out of office,

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it is also anxious to survive as a brake on Burnham rather than as a politically irrelevant coterie. Mutual suspicions between the UF and Burnham might nonetheless become so strong that the coalition would not survive until the election. This would not, however, preclude a renewal of the same coalition after the election.

11. Burnham seems aware that, in spite of the existence of fissures within the big parties, voting will again be predominantly along racial lines in the election which the Constitution requires to be held before the end of March 1969. Burnham has for some time been reassessing his prospects in view of the fact that the number of East Indians of voting age is now probably approaching 50 percent of the total electorate. Burnham's preferred corrective to this situation is to find some way to enlarge the number of Negro voters.

12. Burnham's first efforts to improve his election chances took the form of encouragement to Negroes from neighboring states to emigrate to Guyana. Few, however, have come to swell the rolls of the PNC and the unemployed. His administration has introduced a bill which would make new registration mandatory for all Guyanese voters—a measure likely to favor the Negroes because of their concentration in the urban areas where registration would be easiest to accomplish. He has also been attempting to arrange for a substantial absentee vote among overseas Guyanese, who are preponderantly Negro. How large that vote would be is hard to estimate, but Burnham himself claims—probably with some exaggeration—that there may be 60,000 overseas Guyanese, and that participation by half of that number would “not be unbelievable.”

13. Burnham is ambitious to play a leading role in Caribbean politics, and has cast a covetous eye on the overwhelmingly Negro population of the former British colonies in the Lesser Antilles. In particular, he is anxious to graft onto Guyana an island or two of the West Indies Associated States. These islands are associated not with each other but individually with the UK, on whom they depend for their economic livelihood. With a total population of some 400,000, Antigua, Dominica, St. Kitts-Nevis-Anguilla, Grenada, and St. Lucia have five separate governments and constitutions. A sixth entity, St. Vincent, has yet to receive its independence and has been negotiating with Burnham as to merger with Guyana.²

14. The government on St. Vincent and the UK both seem agreeable to that merger, but doubts remain whether Burnham can pull it off in time for the election. It is not clear what changes might be required in the Guyanese Constitution. St. Vincent is still a crown colony and has not yet attained associated statehood with the UK—a legal prerequisite to a merger. The British Government has expressed its intention to continue its subsidy to St. Vincent whether or

² St. Vincent has a population of 90,000, approximately half of which is under 15. Some 33,000 persons are eligible to vote. The island's economy has long been dependent on a subsidy from the UK which is currently half a million pounds per annum. The Colonial Office is scheduled to furnish 550,000 pounds for development aid for the next two years.

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not a merger takes place. If the merger does take place, Burnham will probably eventually expect the US to furnish more aid than it has been providing to Guyana alone.

15. Although Burnham professes great respect for the tradition of open and honest elections, he nevertheless feels that the fate of the country hinges on his reelection. His search for ways to enlarge the number of Negro voters indicates a determination to win by respectable means. But if he became convinced that the various arrangements he has been exploring would not suffice to keep him in power and Jagan out, he would probably rig the election results. There is a chance that he might postpone or even cancel the election, either of which would be unconstitutional. Whatever device he might employ, he would have to rely on the civilian police and the Guyana Defense Force (GDF), both predominantly Negro, to prevent any resulting turmoil from growing to the dimensions of the violence of 1963-1964.

16. Cheddi Jagan and the PPP are quite convinced that Burnham intends to do anything he decides is necessary to keep them from forming a government. Perhaps to prepare for such a contingency, Jagan has attempted to shape the PPP into a more tightly disciplined party. While he has eased certain religious leaders and moderates out of key party positions, he seems to have no current plans for any form of insurgent action. Never a decisive leader, Jagan will probably wait to see what Burnham's course of action will be before determining his own. He knows that Burnham needs scant excuse to jail him, or to outlaw his party, and that the Negroes are generally more adept than his own East Indian followers in the tactics of violence.

IV. SECURITY FORCES

17. The government has emphasized improvement of the civilian police force and creation of the GDF to increase its internal security capabilities. The police force has been expanded, its training intensified, and its equipment improved. Currently numbering close to 1,800, the police are expected to reach their authorized strength of 1,900 before the end of 1968.

18. The government has made good progress in establishing the GDF to replace the British troops that left in October 1966. Its present active force is 1,000 men in two infantry battalions. Some 300 "first class" reservists are available for deployment in the event of a call-up; the hundred or so "second class" reservists are over-age personnel or dropouts from the GDF who still have some reserve commitments. Fifteen British officers, including its commanding officer, are training the GDF and fill billets in it.

19. Both GDF and police are overwhelmingly Negro. The ratio of Negroes to East Indians is about three to one in each and the officers are mainly Negro. Nevertheless, in line with the recommendation of the International Commission of Jurists, the government is attempting to rectify the racial imbalance of the forces and has increased the enrollment of East Indian recruits.

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20. Some questions remain as to the ability of the security forces to keep the peace. They would probably be effective in coping with sporadic violence or disturbance, but their performance in a situation comparable to the riots of 1963-1964 would be hard to predict. There is doubt whether, in the event of racial violence on a large scale, the men would perform effectively as integrated forces or would revert to racial loyalties. Another problem exists as to the eventual Guyanese leadership of the GDF. The present British commanders are under contracts which will expire before the election, though they may stay on as advisers.

V. POSTELECTION PROSPECTS

21. If Burnham wins, the postelection prospects will depend in major degree on how he manages to do so. If he were returned to office as head of a coalition, and as a result of a more or less normal and reasonably fair contest, the prospects for his government would be good. He would require continuing economic aid from the US, and if he got it, Guyana would almost certainly make gradual further economic progress. He would more than likely again have trouble within the coalition, and opposition on the part of Jagan and the East Indians would become increasingly bitter. But there probably would not be disorders and violence of such magnitude that the Guyanese security forces could not control them.

22. If, however, he blatantly rigs the election, or if he wins by means of a merger with St. Vincent or another Caribbean island, the political situation is likely to be more unstable. Should Guyana join with St. Vincent, for example, the additional number of Negro voters in the new nation would produce fears among East Indians and UF members alike that the Burnham government would become solely a Negro-run institution and that they would be excluded from power indefinitely. Jagan would be the first to claim that the merger was engineered by the US and would use it in his anti-US propaganda in Guyana and abroad. At least initially, some unrest and violence would be likely. The Guyanese security forces would probably remain loyal to Burnham and be capable of preventing violence from getting out of hand.

23. If, in spite of Burnham's preelection activities, Cheddi Jagan's PPP gained a majority of seats in the Assembly, Cheddi probably still would not be permitted to form a government. Burnham might call upon the security forces to keep Jagan out, or suspend the Constitution and rule by fiat, or even try persuading Jagan to join in a grand coalition which he, Burnham, would head. Any of these actions, with the possible exception of the last, would raise racial tensions and produce danger of violence—both probably more inflammatory than the merger possibility discussed above.

24. It is possible that for appearances' sake Burnham would let Jagan take office—only to subvert his government at a later date. It is unlikely that Burnham would go into loyal opposition, but if he did, Jagan would still face a highly

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troubled tenure. The Negroes in opposition would probably be more militant than the East Indians have been, and Jagan could not count on the security forces.

25. However determined Jagan was to take measures to favor the East Indians or to carry out Marxist economic policies, he would be severely inhibited by circumstances. Sooner or later, he would have to make numerous concessions to the Negroes or risk being deposed. He has talked of nationalizing the important foreign enterprises, but he is probably aware that expropriation of the foreign aluminum companies or of the big British-owned sugar properties would be disastrous economically. He would, in any case, encounter certain economic difficulty. There would be a loss of confidence on the part of private investors, and most of the economic assistance from which the Burnham government has benefited would probably not be forthcoming to Jagan.³ His friends among the Communist countries would probably provide some help, but less. Cuba would most likely give Jagan a favorable price for Guyana's rice crop and the USSR would probably give limited credits.

26. In the unlikely event that Jagan did take and hold power, the Communist orientation of his government, more than its actual capabilities, would make it a new disturbing factor in hemispheric affairs, especially in the Caribbean area. The USSR and other Communist countries would make considerable propaganda capital of the fact that such a government had come to power by free elections, and the Jagan government would support the Communist nations in international forums on basic issues. The Soviets and some other Communist governments would move quickly to establish diplomatic or trade missions in Georgetown. Yet a Jagan administration would be beset by powerful internal opposition, and its internal weakness would require it to move cautiously in order to retain power while trying to strengthen its political base. It would not have the resources to carry out an adventuresome program abroad. Thus, Jagan would not try to launch an independent Communist revolutionary effort on the continent or in the Caribbean. He probably would cooperate in the overt and clandestine activities sponsored by the USSR or Cuba. All actions of this kind would encourage Venezuela, certain to be suspicious of Jagan regardless of his policies, to press its territorial claims against Guyana and perhaps even to undertake military action.

³In 1965-1966, the US committed \$18 million in aid to Guyana of which \$13 million has been drawn down.

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